

ROY BLUNT
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United States Senate

WASHINGTON, DC 20510

February 21, 2017

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COMMITTEES:
APPROPRIATIONS

COMMERCE, SCIENCE
AND TRANSPORTATION

CHAIRMAN, RULES AND
ADMINISTRATION

SELECT COMMITTEE
ON INTELLIGENCE

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Pai:

I write to emphasize the importance of the Federal Communications Commission's (FCC) final rules for the reverse auction of remaining funds under the Connect America Fund (CAF). As a senior member serving on the Senate Commerce Committee I have been following this issue. More importantly, it is vital that the rules for the auction ensure my rural constituents in Missouri have the same access to advanced broadband networks enjoyed in urban areas.

FCC rules for the reverse auction of remaining CAF funds will dictate the federal government's ability to support broadband in unserved areas of Missouri over the next 10 years. A coalition of rural stakeholders, including the Missouri Electrical Cooperatives, NTCA – the Rural Broadband Association, and the Utilities Technology Council, have submitted a joint proposal to the Commission regarding weighting criteria and independent evaluation of bids for the CAF auction. I believe the proposal is sound and represents the best way to ensure all broadband technologies can competitively bid.

I have serious concerns with weighting proposals that favor slower speeds. Rules that favor slower speeds will result in a lack of competition in the auction and will cost the federal government more money over the long term. If Missouri cooperatives can competitively bid, they have the economies of scope and scale to reach households, businesses, schools, and hospitals with lasting broadband service. Any weighting criteria that excludes or discourages cooperatives from bidding means my rural Missouri will be unnecessarily relegated to slower speeds, and the FCC will have lost a tremendous opportunity to advance broadband nationwide.

Broadband access in rural Missouri that is comparable to urban areas is essential to the statutory requirement of universal service. CAF auction rules that allow cooperatives to bid competitively in order to close the rural-urban divide is the right way to proceed.

Sincerely,



Roy Blunt
United States Senator

Cc:

The Honorable Mignon Clyburn
The Honorable Michael O'Rielly



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 7, 2017

The Honorable Roy Blunt
United States Senate
260 Russell Senate Office Building
Washington, D.C. 20510

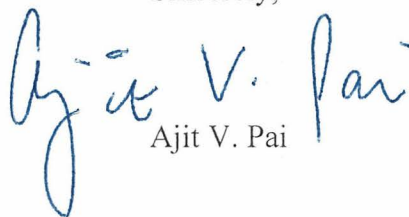
Dear Senator Blunt:

Thank you for your letter regarding the Connect America Fund (CAF) Phase II competitive bidding process. One of my top priorities as Chairman is closing the digital divide for rural Americans who lack sufficient high-speed Internet access. I believe everyone should have online opportunity, and I know there is virtually no limit to what Americans who are disconnected today could achieve tomorrow if they were participants in, rather than spectators of, the digital economy.

That is why I asked my colleagues to vote on the CAF Phase II auction at our February 23 meeting, the first monthly meeting at which I could set the agenda. And I was pleased that we adopted bidding weights that will encourage all technologies—from the fastest fiber to terrestrial wireless to satellite services—to compete. As your letter made clear, ensuring that every party, including new entrants like the electric cooperatives of rural Missouri, has a chance to win means a more competitive auction and better, faster, cheaper services for rural consumers.

I look forward to continue working with you as the Commission moves towards holding the CAF Phase II reverse auction. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is stylized, with the first name "Ajit" written in a large, flowing script, and "V. Pai" written in a more compact, cursive style.

Ajit V. Pai